

Message Text

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PAGE 01 STATE 147947
ORIGIN COME-00

INFO OCT-01 NEA-10 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 /086 R

DRAFTED BY COMMERCE - TM KIVLAN/M HUMPHREY
APPROVED BY EB/OT/GCP - SAHMAD
COMMERCE - L MURPHY
COMMERCE - R FRANCES
COMMERCE - SCARLINGHAUS
COMMERCE - M MAUGHLAN
STR - S LANDE
STR - J STARKEY (INFO)
STR - B SEASTRUM - (INFO)
LABOR - R DOTSON(INFO)
TREASURY:SSHINDELL (INFO)
AGRICULTURE:GWHITE
AGRICULTURE:KHOWLAND
STATE/NEA/IAI/X:VUNOVIC
STATE/EB/OT/GCP:RREIS

-----086413 250947Z /23

P 242130Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY TEL AVIV PRIORITY

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E.O. 11652: N/A

TAGS: ETRD, IS

SUBJECT:ISRAELI IMPORT DATA AND ISRAELI DUTY ON CIGARETTES

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PAGE 02 STATE 147947

REF: (A) STATE 111885 (B) TEL AVIV 3532, (C) STATE
245810 OF 10/16/75

1. THB DEPARTMENT REQUESTS THE EMBASSY AGAIN TO APPROACH
GOI TO INQUIRE WHEN A COMMODITY BY COUNTRY BREAKDOWN
OF ISRAEL'S IMPORTS FROM THE WORLD DURING THE PERIOD
JANUARY THROUGH DECEMBER 1976 WILL BE AVAILABLE, AND

TO REQUEST THAT ISRAEL PROVIDE THE DATA TO THE UNITED STATES AS SOON AS POSSIBLE. THE EMBASSY MAY EXPLAIN TO ISRAELI OFFICIALS THAT THE DATA IS NEEDED FOR THE FIRST REVIEW, IN CONNECTION WITH THE GSP PROGRAM, OF THE EFFECT ON US TRADE OF ISRAEL'S PREFERENCES TO THE EC AND OF ISRAEL'S ACTIONS IN EXECUTION OF THE OCTOBER 15, 1975 NOTE TO THE UNITED STATES. IN 1975, ISRAEL WAS UNSURE OF THE BENEFITS TO BE DERIVED FROM GSP. IN FACT, US IMPORTS FROM ISRAEL UNDER GSP IN 1976 WERE VALUED AT MORE THAN 116 MILLION DOLLARS, WHICH DEMONSTRATES THE SUBSTANTIAL VALUE OF GSP TO ISRAEL.

2. THE EC-ISRAEL UNDERSTANDING OF 1975 STIPULATES THAT ISRAEL WILL MAKE TARIFF CUTS IN FAVOR OF THE EC ON JULY 1, 1977. THE OCTOBER 1975 ISRAEL NOTE WHICH MADE IT POSSIBLE FOR ISRAEL TO BE DESIGNATED A GSP BENEFICIARY PROVIDED, INTER ALIA, THAT ISRAEL WOULD ELIMINATE PREFERENCE MARGINS ON A LIST OF ITEMS, US EXPORTS OF WHICH WERE ADVERSELY AFFECTED BY THE PREFERENCES GRANTED TO THE EC. THE AGREEMENT ALSO PROVIDED THAT, AT THE REQUEST OF EITHER COUNTRY, JOINT REVIEWS WOULD BE HELD TO CONSIDER THE ADDITION OF PRODUCTS TO THE ACCOMPANYING LIST OR THEIR REMOVAL FROM IT. THE INTER-AGENCY TRADE POLICY STAFF COMMITTEE GROUP ON GSP IS UNDER OBLIGATION TO MONITOR CHANGES IN CIRCUMSTANCES AFFECTING GSP LIMITED OFFICIAL USE

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PAGE 03 STATE 147947

ELIGIBILITY. GIVEN THAT NEARLY TWO YEARS HAVE ELAPSED SINCE THE OCTOBER 15, 1975 UNDERSTANDING WAS REACHED AND SINCE ON JULY 1 ISRAEL WILL PUT INTO EFFECT NEW PREFERENCES BENEFITING THE EC, THE COMMITTEE AND THE DEPARTMENT BELIEVE IT ESSENTIAL TO HOLD A JOINT REVIEW WITH ISRAEL AS SOON AS POSSIBLE. TO BE ABLE TO ASSESS THE EFFECT OF THE PRESENT PREFERENCES AND THE LIKELY EFFECT OF THE NEW PREFERENCES ON US TRADE, THE US NEEDS ISRAELI TRADE DATA REQUESTED ABOVE.

3. ALTHOUGH THE GOI DOES NOT HAVE A COMMITMENT TO PROVIDE US WITH DATA BY ANY SPECIFIED DATE, WE HOPE THAT IT WILL BE ABLE TO PROVIDE THE DATA AS SOON AS POSSIBLE SO THAT WE MAY HOLD CONSULTATIONS AT AN EARLY DATE. THE ISRAELI EMBASSY HERE TELLS US THAT ONLY THE GOI IN ISRAEL IS IN A POSITION TO EXPEDITE THE ISSUANCE OF THE TRADE DATA THAT WE NEED.

4. THE EMBASSY IS ALSO REQUESTED TO INQUIRE WHAT ACTION ISRAEL PLANS TO TAKE WITH REGARD TO THE DUTY ON CIGARETTES. THE EC-ISRAEL AGREEMENT PROVIDES THAT ON JULY 1, 1977, ISRAEL SHALL GRANT A 5 PERCENT REDUCTION IN THE

PROTECTIVE COMPONENT OF THE DUTY ON CIGARETTES IMPORTED FROM THE EC. IN THE EXCHANGE OF NOTES BETWEEN THE US AND ISRAEL IN OCTOBER 1175 ISRAEL AGREED TO CONSIDER FAVORABLY THE INCLUSION OF CIGARETTES (ITEM 24021000) AMONG THE LIST OF SPECIFIC PRODUCTS APPENDED TO THE NOTE ON WHICH IMPORT DUTIES ARE REDUCED ON AN MFN BASIS WITH A VIEW TOWARD REDUCING PREFERENTIAL MARGINS. THE EMBASSY IS REQUESTED TO APPROACH THE GOI TO DETERMINE IF WHEN ISRAEL-REDUCES THE DUTY-ON EC CIGARETTES, IT SIMILARLY WILL REDUCE THE MFN RATE WHICH APPLIES TO US CIGARETTES. WE WOULD ALSO LIKE TO KNOW WHICH PORTION OF THE DUTY WILL BE AFFECTED AND HOW THE REDUCTION WILL BE CARRIED OUT. OUR UNDERSTANDING IS THAT THE CURRENT DUTY IS 0.22 ISRAELI POUND PER CIGARETTE PLUS 15 PERCENT AD LIMITED OFFICIAL USE

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PAGE 04 STATE 147947

VALOREM. IT IS NOT CLEAR TO US WHETHER ONE OR BOTH PARTS OF THE DUTY WILL BE REDUCED FOR THE EC.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOBACCO, IMPORT DATA, IMPORT PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE147947
Document Source: CORE
Document Unique ID: 00
Drafter: TM KIVLAN/M HUMPHREY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770228-0225
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770619/aaaaaqj.tel
Line Count: 139
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:07 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:04 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 58df7e76-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 111885, 77 TEL AVIV 3532, 77 STATE 977
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Mar-2005 12:00:00 am
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Review Exemptions: n/a
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Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2034063
Secure: OPEN
Status: NATIVE
Subject: ISRAELI IMPORT DATA AND ISRAELI DUTY ON CIGARETTES LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: ETRD, IS
To: TEL AVIV
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/58df7e76-c288-dd11-92da-001cc4696bcc
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